

**MAXIMUM BASE MORTGAGE CALCULATION  
LIMITED 203(k) PROGRAM  
PURCHASE TRANSACTION**

<b>Step 1:</b>	<b>Establishing Financeable Repair and Improvement Costs, Fees and Reserves</b>		
A.	Repair and Improvement Costs and Fees Total ( <i>sum of A1 thru A4</i> )		\$ _____
	1. Costs of construction, repairs and rehabilitation	\$ _____	
	2. Inspection Fees (work Performed during Rehabilitation)	\$ _____	
	3. Title Update Fees	\$ _____	
	4. Permit Fees	\$ _____	
B.	Financeable Contingency Reserves		\$ _____
C.	Financeable Mortgage Fees Total ( <i>sum of C1 and C2</i> )		\$ _____
	1. Origination Fee (Greater of \$350 or 1.5% of (sum of 1A+1B))	\$ _____	
	2. Discount Points on 1A	\$ _____	
D.	Total Rehabilitation Costs, Fees and Reserves (Sum of 1A , 1B & 1C) = <b>"Step 1 Total"</b> <b>(Not to exceed \$35,000)</b>		\$ _____

<b>Step 2:</b>	<b>Establishing Value</b>		
Adjusted As-Is Value			
A.	Purchase Price	\$ _____	
B.	Inducement to Purchase	\$ _____	
C.	Purchase Price less inducement to Purchase		\$ _____
D.	As- Is Property Value (When an As-Is Appraisal is performed)		\$ _____
E.	<b>Adjusted As-Is value = Lesser of 2C or 2D</b>		\$ _____
After-Improved Value			
F.	Appraised Value (subject to repairs and Improvements)		\$ _____

<b>Step 3:</b>	<b>Calculating Maximum Mortgage</b>		
A.	2E + 1D (i.e. Adjusted As-Is Value + Step 1 Total)		\$ _____
B.	2F (i.e. After- Improved Value) X 110% (100% for Condominiums)		\$ _____
C.	Lesser of 3A or 3B (\$ _____) x 3F _____% (Appropriate LTV Factor)		\$ _____
D.	Nationwide Mortgage Limit		\$ _____
E.	<b>Base Mortgage Amount = Lesser of 3C or 3D</b>		\$ _____

F.	<b>Determining Loan-To-Value Factor for Maximum Mortgage Eligibility</b>			_____ %
	<b>Basis</b>	<b>Criteria</b>	<b>Maximum LTV Factor</b>	
	MDCS	At or above 580	<input type="checkbox"/> 96.5%	
	MDCS	Between 500 and 579	<input type="checkbox"/> 90%	
	Secondary Residence	With HOC Approval	<input type="checkbox"/> 85%	

<b>Step 4</b>	<b>Calculating the LTV for Application of Annual MIP</b>		
A.	MIP LTV = 3E divided by 2F (i.e. Base Mortgage Amount divided by After Improved Value)		_____ %

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<b>Step 5:</b>	<b>Establishing the Rehabilitation Escrow Account</b>	
A.	Repair and Improvement Costs/Fees/Reserves Total (1D)	\$ _____
B.	Initial Draw at Closing Total ( <i>sum of B1 thru B4</i> )	\$ _____
	1) Permit Fees	\$ _____
	2) Origination Fees (Step 1: C1)	\$ _____
	3) Discount Points (Step 1: C2)	\$ _____
	4) Up to 50% of materials costs for items ordered but not yet paid for (under contract for delivery)	\$ _____
C.	<b>Rehabilitation Escrow Amount Balance (Future Draws) = 5A minus 5B</b>	<b>\$ _____</b>

Notes:

MDCS = Minimum Decision Credit Score